



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 07/12/05

AGENDA ITEM 3

WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Community and Economic Development

SUBJECT: Use Permit PL-2005-0123 – Ken Johnson (Applicant) - Request to Operate a Payday Loan Facility at 24457 Mission Boulevard

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution, finding that the project is categorically exempt from California Environmental Quality Act review and uphold the Planning Commission's decision to conditionally approve the application.

DISCUSSION:

This item appears on the agenda at the request of Councilmember Henson.

On June 9, 2005, the Planning Commission approved (7:0) the applicant's request to operate a payday loan facility. The applicant described the operation as one that offers, in addition to loans, tax preparation, credit counseling and investment assistance. The proposed business is located within a strip commercial center that suffers from some deferred maintenance, minor code violations, a nonconforming pole sign, lack of landscaping, and no trash enclosure. Conditions of approval of the use permit require correction of these deficiencies. The Zoning Ordinance requires that conditions of approval be met prior to onset of a business that requires a use permit; however, because the overall property improvements would not be under the control of the applicant, but rather the property owner, the Planning Commission was disposed to allow the applicant to operate independently of the conditions of approval attributable to the strip commercial center. The Planning Commission allowed up to one year for the property owner to complete these conditions of approval. Staff had recommended that compliance with the conditions of approval occur prior to commencement of operations of this business. Staff believes that there is no compelling interest to deviate from this Ordinance requirement that would normally apply to any business granted a use permit.

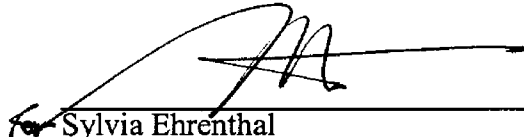
No one from the public appeared to speak on the matter.

Prepared by:

A handwritten signature in black ink, appearing to read "Richard E. Patenaude", is written over a horizontal line.


Richard E. Patenaude, AICP
Principal Planner

Recommended by:



Sylvia Ehrental
Director of Community and Economic Development

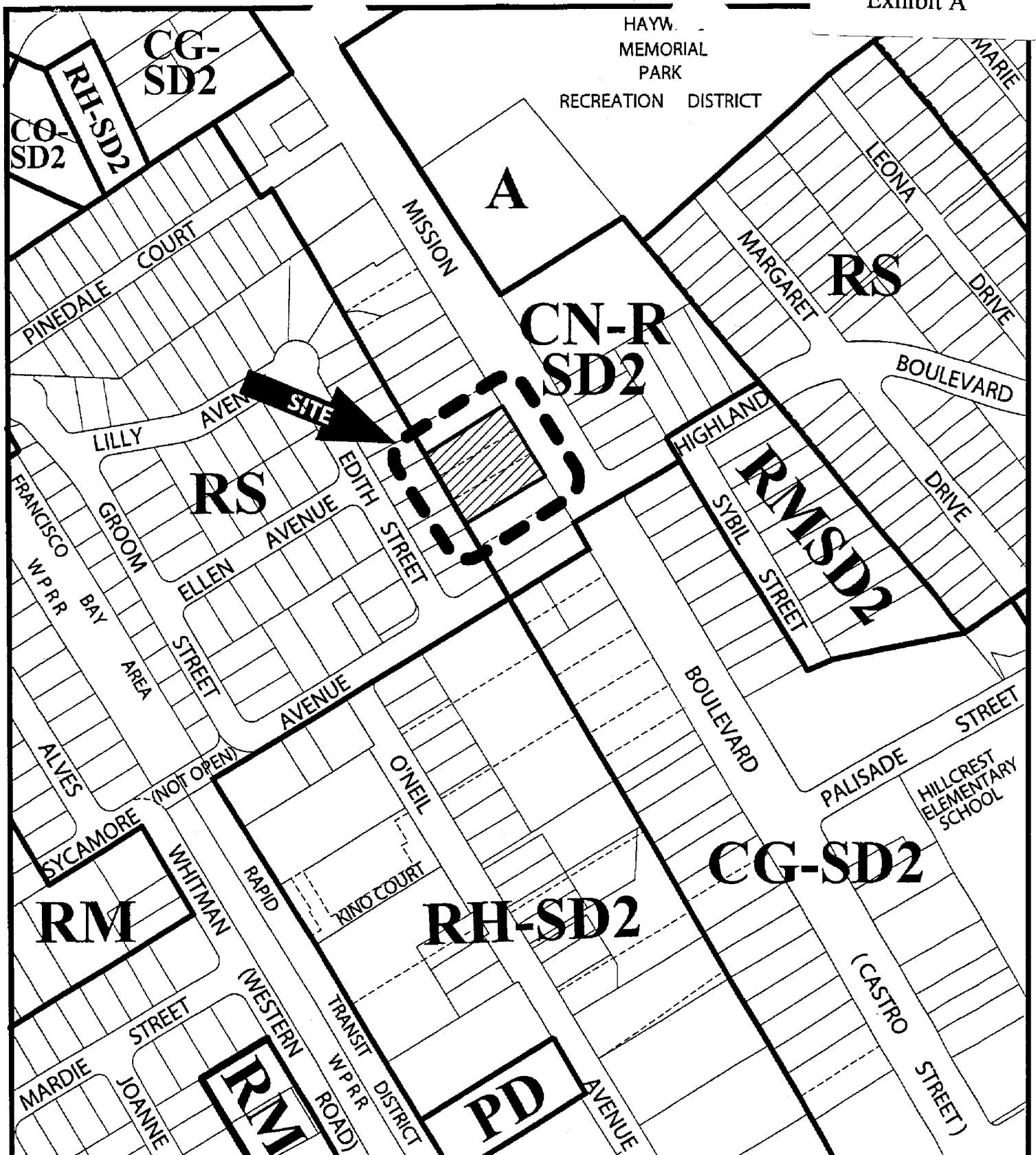
Approved by:



Jesús Armas, City Manager

Attachments: Exhibit A. Area and Zoning Map
Exhibit B. Findings for Approval
Exhibit C. Conditions of Approval
Exhibit D. Draft Planning Commission Meeting Minutes, dated June 9, 2005
Exhibit E. Planning Commission Staff Report, dated June 9, 2005
Draft Resolution

7/8/05



Area & Zoning Map

PL-2005-0123 UP

Address: 24457 Mission Blvd.

Applicant: Ken Johnson

Owner: John Kim

A-Agricultural
 CG-General Commercial
 CN-R-Neighborhood Commercial-residential
 CO-Commercial Office
 PD-Planned Development
 RH-High Density Residential RHB 7
 RM-Medium Density Residential RMB 3.5, RMB 4
 RS-Single-Family Residential,RSB4,RSB6
 SD-Special Design



FINDINGS FOR APPROVAL
Use Permit Application No. PL-2005-0123
Ken Johnson(Applicant)
John Kim (Owner)
24457 Mission Boulevard

- A. The approval of Use Permit Application No. PL-2004-0123 will not have a significant impact on the environment, cumulative or otherwise. The project is Categorically Exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15301, Existing Facilities, Class 1(a), Minor Alterations.
- B. The proposed payday loan business is desirable for the public convenience or welfare in that this facility will offer services that traditional financial intuitions offer but will be located in a convenient neighborhood retail center.
- C. The proposed payday loan business will not impair the character and integrity of the zoning district and surrounding area in that this is a use that will serve local residents which meets the intent of the Neighborhood Commercial-Residential District.
- D. The proposed payday loan business will not be detrimental to the public health, safety, or general welfare in that the use is compatible with surrounding uses and it is not in an area that has a concentration of payday loan businesses.
- E. The proposed payday loan business is in harmony with applicable City policies and the intent and purpose of the zoning district involved because convenient personal services are the types of services encouraged in the Neighborhood Commercial-Residential District.

CONDITIONS OF APPROVAL
Use Permit Application No. PL-2005-0123
Ken Johnson(Applicant)
John Kim (Owner)
24457 Mission Boulevard

As Amended by the Planning Commission on June 9, 2005

1. Use Permit Application No. PL-2005-0123 is approved subject to the conditions listed below which must be satisfied prior to occupying the building. This approval is void one year after the effective date of approval unless the business has been established in accordance with these conditions of approval or unless an extension is approved. Any modification to this permit shall require review and approval by the Planning Director. All conditions shall we met ~~prior to commencement of operations and prior to the issuance of a business license~~ *no later than one year from the effective date of this permit* . A request for a one-year extension-of-time, approval of which is not guaranteed, must be submitted to the Planning Division at least 30 days prior to June 9, 2006.
2. The property owner and applicant shall maintain in good repair all building exteriors, walls, lighting, drainage facilities, landscaping, driveways and parking areas. The premises shall be kept clean and free of liter and weeds. Any graffiti painted on the property shall be painted out or removed within three days of occurrence. Any litter, weeds and graffiti shall be removed and the building shall be painted to the satisfaction of the Planning Director.
3. The existing pole sign and structure shall be removed. A section of the pole may be retained and used as a security gate post subject to approval of the Planning Director.
4. A master sign program is required to be submitted by the property owner prior to issuance of any additional sign permits. Any sign installed for the payday loan business, shall meet the requirements of the approved master sign program. All window signs shall not exceed twenty-five percent of the area of each window.
5. Outdoor storage is prohibited. The land-to-sea container shall be removed.
6. A trash enclosure shall be installed to the satisfaction of the Planning Director and the Solid Waste Manager. The property owner or applicant shall contact Vera-Dahle-Lacaze, Solid Waste Manger to determine the required size for the commercial center.
7. Screen landscaping, in the form of shrubs with vertical growth, shall be planted along the rear property line to provide a buffer between the commercial parking lot and the single-family residences. The ~~applicant~~ *property owner* shall submit a

landscape and irrigation plan for review and approval by the City Landscape Architect prior to installation.

8. All exterior exposed wires shall be encased to the satisfaction of the Building Official and the Planning Director.
9. *Air conditioning units located above the front doors shall be painted to the satisfaction of the Planning Director.*
10. The applicant shall be licensed by the State of California Department of Corporations.
11. Violation of these conditions is cause for revocation of this modification of Use Permit after public hearing before the duly authorized review body.



MINUTES OF THE REGULAR MEETING OF THE CITY OF HAYWARD PLANNING COMMISSION

Council Chambers

Thursday, June 9, 2005, 7:30 p.m.

777 B Street, Hayward, CA 94541

MEETING

Chair Sacks asked for five minutes to review amended conditions of approval presented before the meeting. The regular meeting of the Hayward Planning Commission was called to order at 7:33 p.m., by Chair Sacks followed by the Pledge of Allegiance.

ROLL CALL

Present: COMMISSIONERS: Lavelle, Thnay, McKillop, Bogue, Peixoto, Zermeño
CHAIRPERSON: Sacks
Absent: COMMISSIONER: No

Staff Members Present: Anderly, Camire, Emura, Gaber, Hart, Patenaude, Lens

General Public Present: Approximately 15

PUBLIC COMMENTS

There were no public comments.

PUBLIC HEARINGS

1. Use Permit No. PL-2005-0123 – Ken Johnson (Applicant) / John Kim (Owner) – Request to Operate a Payday Loan Facility – The Project is Located at 24457 Mission Boulevard
(Continued from May 19, 2005)

Staff report submitted by Associate Planner Camire, dated June 9, 2005, was filed.

Associate Planner Camire noted that both the applicant Mr. Ken Johnson and owner Mr. John Kim were present at the meeting.

Associate Planner Camire presented amended conditions of approval, which addressed the site through discussions that staff had with the property owner. She mentioned that as part of the amendments, it is suggested that air conditioning units be painted and that a portion of the pole sign remain to be used as a security gate post. She added that some conditions were removed from the conditions of approval because the work has been already completed. Staff recommended that shrubs be planted in the rear space between single family homes and the chain link fence. The shrubs recommended were: Holly leaf cherry, rosemary barberry, Italian buckhorn.

Commissioner Lavelle asked for clarification on the chain link fence. Associate Planner Camire stated that the chain link fence will remain in its current location for safety measures.

DRAFT

DRAFT

In response to Chair Sacks' request for clarification on the requirement that air conditioning units be painted, Associate Planner Camire stated that the requirement could be added to the motion since it is not included in the current conditions of approval

Chair Sacks opened the public hearing at 7:46 p.m.

Ms. Patricia Kim, co-owner of the property, stated that her father maintains the property and that the family appreciated the City's position in maintaining the property. She spoke favorably about the prospective tenant, Ken Johnson. She indicated that a number of conditions of approval have already been fulfilled. In reference to Condition No. 3, she stated that she would like to retain a section of the pole sign to be used as a security gate support post. As for Condition No. 5, she agreed to have the storage container removed within at least two months. She requested more time to construct the trash enclosure as the neighboring property owner will be constructing a wall behind the prospective trash enclosure, and she would like to request that the wall be constructed before the enclosure. Speaking about Condition No. 7, she proposed a wooden fence because it would be consistent with that of other property owners and would address the privacy issue between the commercial and residential areas.

Mr. John Kim spoke in favor of having a wooden fence instead of the bamboos or shrubs. He asked for a reasonable time to fulfill the rest of conditions of approval and grant Mr. Johnson approval to start working.

Mr. Johnson requested that Condition No. 9 be separated from the conditions of approval since he already holds a license by the State of California. He also stated that he is a registered broker and that he was a manager at Wells Fargo and Worlds Savings. He added that the business will provide financial counseling, first time home buyers seminars, and will enhance the financial stability of the City.

Mr. Johnson clarified the proposed business at the request of Commissioner Peixoto and added that he practices under the jurisdiction of the State of California Department of Corporations and that he is required to submit reports on an annual basis.

Chair Sacks closed the public hearing at 8:03 p.m.

Principal Planner Patenaude, regarding pole signs, mentioned that the City policy is to recommend removal of non-conforming pole signs. The existing pole sign would be required to conform to this policy and be removed. As far as the landscaping, he mentioned that the shrubs suggested by staff would be an alternative to the bamboos and the problems associated with. Principal Planner Patenaude also mentioned that the suggested screen landscaping would provide an economical, efficient way to add aesthetic value to the property, and would create privacy for single homes to the rear.

Commissioner Zermeno asked for clarification about the pole sign and the removal of part of it. Principal Planner clarified the concern.

Commissioner McKillop asked for an alternative to the pole sign in directing people to the rear of the property. Principal Planner Patenaude indicated that the existing pole sign is a non-conforming



**MINUTES OF THE REGULAR MEETING OF THE
CITY OF HAYWARD PLANNING COMMISSION
Council Chambers
Thursday, June 9, 2005, 7:30 p.m.
777 B Street, Hayward, CA 94541**

sign and that instead a 6-square foot sign or under could be used at the end tenant space on the wall or the window. The sign program for this building would address the issue, he added.

Commissioner McKillop, in regards to the landscaping issue, asked if the fence would be sufficient to create privacy for the residents in the rear.

Principal Planner Patenaude indicated that a masonry wall would be required to divide a commercial from the residential property.

Commissioner McKillop showed concerned for the difficulty in eradicating the existing bamboo. Principal Planner Patenaude indicated that the land would need to be monitored and mentioned the suggested types of shrubs to prevent homeless encampments as well as for privacy issues.

Commissioner Thnay, concerning the issue of landscaping, asked for staff's recommendation.

Principal Planner Patenaude stated that the screen landscaping would satisfy the privacy issues.

Commissioner Thnay, in reference to Condition No. 6 regarding the trash enclosure, asked if the City had a problem with waiting for the neighbor's wall to be built before the trash enclosure.

Principal Planner Patenaude responded that staff would be comfortable with having it completed within a certain number of days and not having it co-dependent with the project next door.

Principal Planner Patenaude answered Commissioner Bogue's concern about the trash enclosure and the neighboring property project, by stating that the project is on plan check and that a survey line has been established for the property and that the neighbors know where to construct a wall.

Commissioner Thnay commended staff in working on this project and expressed that the required changes are fair, and made a motion to approve the project amending Condition No. 6, to obtain the latest plan checks information for the adjacent wall to be located on the north property line and to have the trash enclosure constructed within six months. Commissioner Zermeno seconded the motion.

Commissioner McKillop suggested a friendly amendment to include that the painting of all air conditioning units be included in the conditions of approval. Also, she expressed that the applicant should not have to wait for the container to be removed. Additionally, she proposed deleting part of the wording in Condition No. 1, "all conditions shall be met prior to commencement of operations", and including a time certain such as the suggested by Principal Planner Patenaude of six months or one year.

Commissioner Lavelle commended the Kim family for their outstanding efforts in beautifying the City and was impressed by the modern appearance inside the property and the business plan. She acknowledged that Mr. Johnson is proposing to offer services beyond those of a simple payday loan

DRAFT

business. She was amenable with some of the conditions identified by staff and agreed with Commissioner McKillop to remove the requirement that all conditions be met prior to Mr. Johnson starting his business. She supported the recommendation to complete all requirements within one year from the time the permit is issued. Additionally, she mentioned that landscaping or wood fences would improve the aesthetic view of the customers parking in the back.

Commissioner Bogue was agreeable with setting a date for all the conditions to be met. He expressed concern about the landscaping and the removal of the bamboo by using chemicals and the survival of other plants. He expressed that it might be difficult to plant before the land becomes suitable. He added that six months to a year seems reasonable.

At the request of Chair Sacks for a suggestion of a reasonable set time to meet all the requirements, Principal Planner Patenaude stated that six months should be satisfactory.

Commissioner Thnay moved, seconded by Commissioner Zermeño, and unanimously approved to accept the project is Categorically Exempt from CEQA pursuant to Section 15301, Class (b), Class 1, Existing Facilities; and approve the application subject to the findings and conditions of approval including to add painting to the air conditioning units and changing the wording on Condition No. 1 from, "all conditions shall be met prior to commencement of operations" to "all conditions shall be met within one year".

2. Use Permit No. PL-2005-0096 – James Chao (Applicant), Unocal 76 (Owner) – Request to Construct and Operate a Car Wash at an Automobile Service Station - The Project is Located at 391 West A Street and the Northeast Corner of Arbor Avenue

Staff report submitted by Associate Planner Camire, dated June 9, 2005, was filed.

Associate Planner Camire presented the staff report.

Commissioner Peixoto, regarding the proposed location for the car wash, stated that the space behind is too narrow for the car wash to operate. Associate Planner Camire stated that the car wash will be located closer to the rear property line decreasing the 15-foot landscape setback. She added that the car wash can be integrated to a portion of the building and carried into a portion of the existing landscape area.

Commissioner Peixoto enquired if the County was consulted of the intent of the project. Associate Planner Camire responded that the County was contacted three times, but they did not express any concerns.

In response to Associate Planner Camire's confirmation that Tosco owns the vacant site across Arbor Avenue as well as the Union 76 project, Commissioner McKillop asked if there might be a way to include in the conditions of approval a clean up condition for that site. Commissioner McKillop mentioned that there is garbage and that the chain link fence is falling down. Associate Camire responded that since the site is a County property, the City would have to ask the County to impose enforcement on the site; however, would notify the owners about the matter.



CITY OF HAYWARD AGENDA REPORT

Planning Commission

Meeting Date 05/19/05

06/09/05

Agenda Item 1

TO: Planning Commission

FROM: Arlynn J. Camire, AICP, Associate Planner

SUBJECT: Use Permit PL-2005-0123 – Ken Johnson (Applicant), John Kim (Owner): Request to Operate a Payday Loan Facility.

The Property Is Located at 24457 Mission Boulevard, Neighborhood Commercial-Residential (CN-R-SD-2) District

RECOMMENDATION:

Staff recommends that the Planning Commission:

1. Find that the project is Categorically Exempt from CEQA pursuant to Section 15301, Class (b), Class 1, Existing Facilities; and
2. Approve the application subject to the attached findings and conditions of approval.

DISCUSSION:

The applicant proposes a payday loan facility to be called Monterey Financial Center. It would occupy a 1,800-square-foot tenant space in a single-story, stucco building built in 1959. Other tenants include beauty salons, a jewelry shop, an insurance office, and a martial arts supply store. The adjacent properties to the west contain single-family homes in the *Single-Family Residential District*. The properties to the north that are developed with single-family homes, will be redeveloped with a project containing six residential condominium units and a 7,200-square-foot restaurant approved by the Planning Commission in September 2004. The property to the south contains a commercial building with Bobby Lee's Smoke House and Mission 99¢ and More. The properties to the east, across Mission Boulevard, contain La Hacienda Motel and Hungry Howies Restaurant. All commercial properties are located in the *Neighborhood Commercial-Residential (CN-R-SD-2) District* with the *Mission Corridor Special Design Overlay*.

The applicant, Ken Johnson would operate Monterey Financial Center with his wife and business partner Kelly Johnson. The services offered will include payday loans, cash advances, tax preparation, credit counseling and investment assistance. They would offer their customers an alternative to major financial institutions while providing similar services. A payday advance provides a small, unsecured, short-term cash advance until payday. Customers would pay a fee for this service. Loans are made only to customers with an active checking account and a regular income. A customer writes a personal

check for the advance amount plus a fee. In return, the customer receives the advance on an ATM cash card.

According to the Police Department, because borrowers do not leave a payday loan business with cash in hand but rather with an ATM card or check, the facilities do not generate calls for service. Unlike payday loan businesses, check cashing businesses usually generate calls for service because customers leave with cash in hand and there is a greater chance of robbery.

A payday loan business is a conditional use in the *Neighborhood Commercial-Residential District*. Conditional approval is required to assure that this use is permitted where there is a community need, and to assure that the use is in harmony with the area and with City policies. There are currently six payday loan businesses that are licensed as deferred deposit originators by the State of California, Department of Corporations (Attachment C). These businesses are not concentrated in one area but rather located throughout the city.

The General Policies Plan Map designates this property as *Commercial/High Density Residential*. This designation is used to indicate areas where resident serving commercial and residential mixed use projects are encouraged and used as a redevelopment revitalization tool along the Mission Boulevard Corridor. The proposed payday loan business is consistent with the Zoning District and General Plan.

The property requires maintenance and alterations to bring it into compliance with current City standards. The paint on the building has faded and there is graffiti on the roof top equipment. Air conditioning units above the front doors of four units are dilapidated. At one time, there were cloth awnings in both the front and the rear of the building. The front awnings have been removed; however the rear awnings remain with one bare awning frame. Electrical wiring is exposed along the rear wall of the building. The striping of the parking space for persons with physical disabilities has faded. Conditions of approval would require repair, replacement or correction of these items. A non-conforming pole sign and an illegal banner that is fastened to the exterior wall of the building would be required to be removed. There is a land-to-sea storage container in the parking lot that is to be removed since outdoor storage is not permitted. A chain-link fence encloses the rear parking lot and has been modified or partially covered with a wood fence by the adjacent residences to provide privacy for their yards; a condition of approval would require the replacement of the chain-link fence by a solid masonry wall.

ENVIRONMENTAL REVIEW

The project is exempt from environmental review as defined by the California Environmental Quality Act (CEQA) guidelines Section 15301, Class 1, (a), Existing Facilities. The prior tenant was Acme Trophies but the space is currently vacant. Monterey Financial Center would lease the space and make minor tenant improvements that would not involve an expansion of the building.

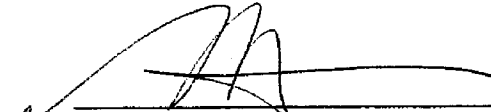
PUBLIC NOTICE

On March 15, 2005, a Referral Notice was mailed to every property owner and occupant within 300 feet of the subject site, as noted on the latest assessor's records. Notice was also provided to the Chamber of Commerce and to the members of the Mission-Foothill Neighborhood Taskforce. Staff received one email in opposition to the project from a resident who would rather see the site redeveloped (Attachment D). The Police Department is not opposed to the use with the recommended conditions of approval. On May 9, 2005, a Notice of Public Hearing for the Planning Commission meeting was mailed. No additional public comments have been received.

CONCLUSION:


The use is compatible with the General Plan and the Neighborhood Commercial-Residential District. As conditioned, it would have little or no impact on the adjacent commercial establishments or the single-family residences. The business would provide a convenient alternative to services offered by traditional banking institutions. Therefore, staff recommends approval of the use permit application.

Prepared by:



Arlynn J. Camire, AICP
Associate Planner

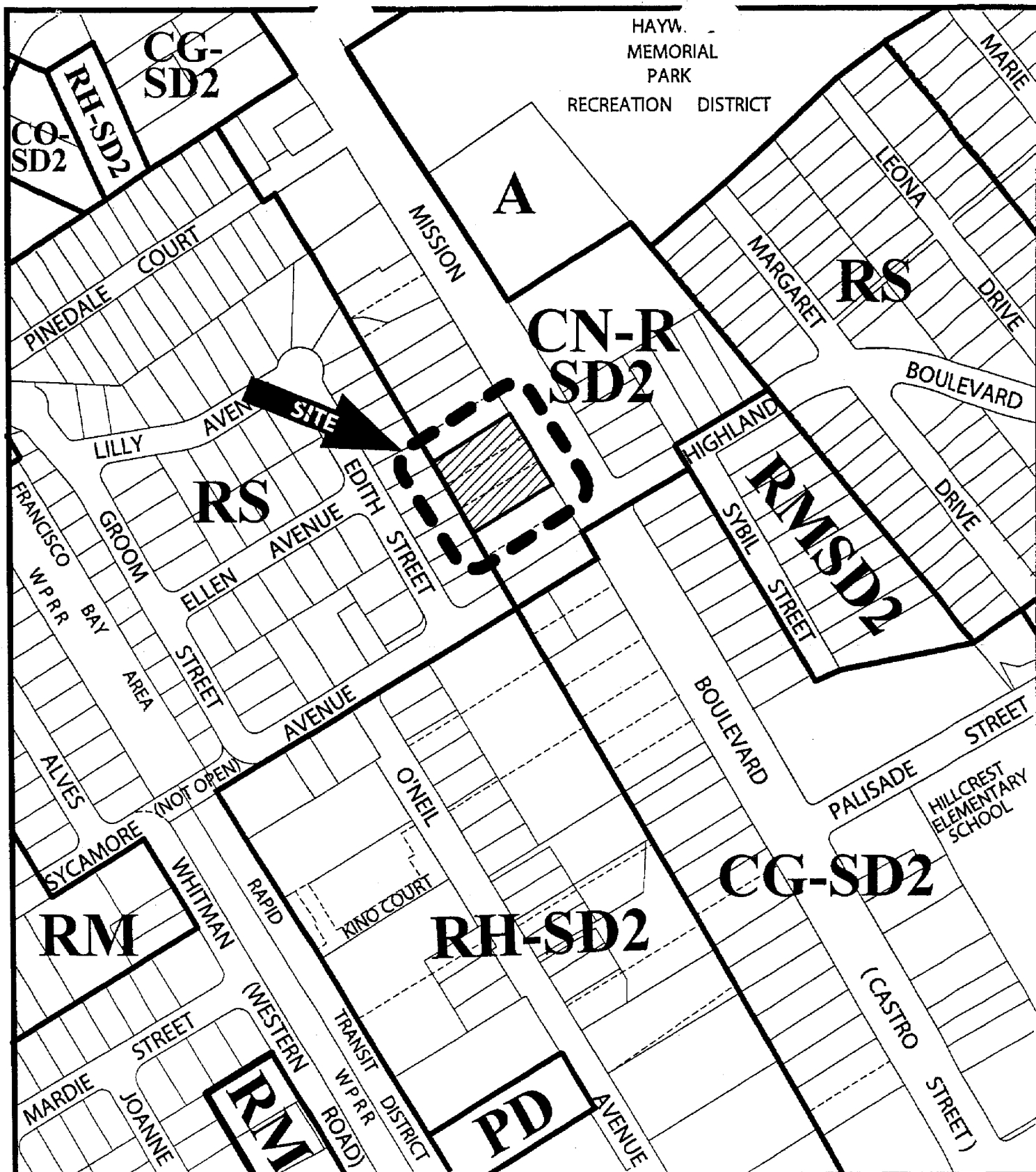
Recommended by:



Dyana Anderly, AICP
Planning Manager

Attachments:

- A. Area Map
- B. Floor Plan
- C. Business Plan
- D. Findings for Approval
- E. Conditions of Approval
- F. Email in Opposition dated March 25, 2005
- Map of Payday Loan Business Locations



Area & Zoning Map

PL-2005-0123 UP

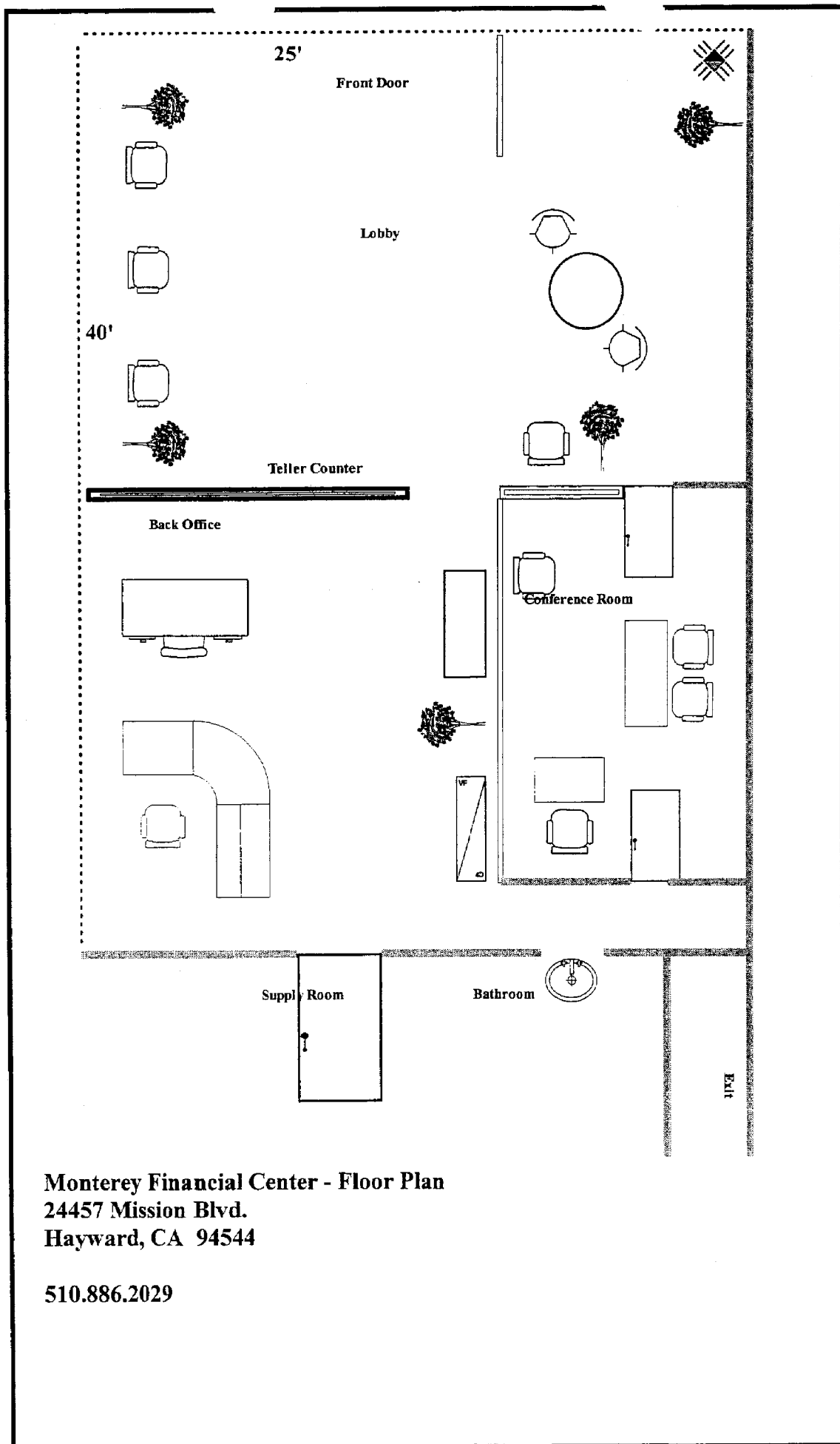
Address: 24457 Mission Blvd.

Applicant: Ken Johnson

Owner: John Kim

A-Agricultural
 CG-General Commercial
 CN-R-Neighborhood Commercial-esidential
 CO-Commercial Office
 PD-Planned Development
 RH-High Density Residential RHB 7
 RM-Medium Density Residential RMB 3.5, RMB 4
 RS-Single-Family Residential,RSB4,RSB6
 SD-Special Design





Monterey Financial Center - Floor Plan
24457 Mission Blvd.
Hayward, CA 94544

510.886.2029

Statement Of Purpose

A recent poll indicated that average household expenditures were some \$3,000 to \$4,000 greater than the household's income (take home pay) in 2003. Consumers are stretching their pay checks and creating a pent up demand for short term payday loans.

As the banks are tightening their lending policies, a vacuum effect is being created in the short term lending industry. The payday loan business is in the midst of a radical transformation. In just a decade, the number of payday loan outlets in the U.S. and Canada has more than tripled as more and more people have found a level of convenience and service not available from traditional banks and finance companies.

This new form of loan has rapidly been embraced by consumers, filling a vacuum that has long existed for small, short-term loans (loan amounts in the \$100 - \$500 range, usually for a term of a few weeks). With this new product, the industry is achieving new levels of profitability and attracting customers in the higher income brackets. Wall Street and the investment community have also begun to take notice of this industry. This is also evidenced by the entry of Republic Bank & Trust and Wells Fargo Bank to this industry.

Mission

To provide our present and future clientele with the highest level of financial and non-financial services including; cash advances, tax preparation, credit counseling, and investment assistance while provide unparalleled customer service at an easily accessible and convenient location.

Company Overview

Monterey Financial Center is a new company founded in October 2004. The company provides short term loans and a suite of financial services. The financial services we offer will give the underserved consumer access to services traditionally offered only by major financial institutions.

Pursuant to requirements of Federal law, including the USA PATRIOT Act, customers are required to provide identifying information prior to opening an account. These include name, date of birth (for an individual), address and identification number. However, based upon an assessment of risks, we may require a customer to provide additional information to establish the customer's identity.

Business

Payday advance provides a small, unsecured, short-term cash advance until payday. Customers choose pay day advances to cover small expenses and avoid costly bounced check fees or late payment penalties and other less desirable short term credit options. A customer with an active checking account and regular income simply:

- Reads and signs an agreement that discloses transaction terms.
- Writes a personal check for the advance amount plus a fee, and
- Immediately receives the advance in the value of an ATM cash card.

Through BrightScape Investment Services (a Fidelity Institutional Brokerage Partner); Monterey Financial Center is in the process of obtaining a partnership agreement to provide investment advice and securities to its clientele. All advisors will hold an NASD Series 65 Investment Advisor

License. Monterey Financial Center currently has on staff a Series 7, 63, and Life and Health Licensed professional.

Additionally, Monterey Financial Center will offer tax preparation services and credit counseling services to its new and existing clients.

As the company grows, we will look for residents in the local community for future potential openings. This will include training and licensing.

Product/Service

Monterey Financial Center will provide the following products and services; payday advance loans; portfolio review assistance (Mutual Funds, IRA's), and tax preparation.

Our products and services are unique as we will be entering the market with a new innovative feature for the payday advance industry. We will be utilizing ATM cash cards in lieu of cash and provided an office environment that is more in line with a traditional financial services office. Our office will not contain bullet proof glass and cold sterile floors. Our goal is to bring true financial services to customers that do not have access to trained investment professionals.

Our professional investment advice and services will allow a market that has been underserved to share in the quality investment planning usually only offered to clients with portfolios over \$500,000.

Competition

We compete directly with Wells Fargo Bank, Cash America, ACE Cash Express, Check N Go, ACA Financial, and other small independent providers. However, we offer alternatives to our product in the marketplace which we feel will provide a distinct advantage to our offering.

Risk

The greatest risks we have in our business today are default risks. We feel we can overcome these risks by partnering with Teletrack. We will be utilizing Teletrack's new Decision Manager in our underwriting guidelines. Decision Manager is a service developed exclusively for the payday advance industry to bring consistency and speed to the approval-denial process. Instead of educated guessing, we will submit the application information to the Teletrack system as part of the regular inquiry process. Once in the system, the applicant's information is compared to Teletrack's data and analyzed against a predictive scorecard. In a matter of seconds, the system will provide a decision recommending the approval or denial of the application.

Management Team

Our team consists of men and women who have a combined forty plus years of experience. Our management team has direct experience in banking, securities, credit, management, and customer service. The management team will also be assisted by legal and marketing professionals that are currently acting as consultants.

Financial Plan

We will maintain a conservative financial strategy, based on developing capital for future growth.

FINDINGS FOR APPROVAL
Use Permit Application No. PL-2005-0123
Ken Johnson(Applicant)
John Kim (Owner)
24457 Mission Boulevard

- A. The approval of Use Permit Application No. PL-2004-0123 will not have a significant impact on the environment, cumulative or otherwise. The project is Categoricaly Exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15301, Existing Facilities, Class 1(a), Minor Alterations.
- B. The proposed payday loan business is desirable for the public convenience or welfare in that this facility will offer services that traditional financial intuitions offer but will be located in a convenient neighborhood retail center.
- C. The proposed payday loan business will not impair the character and integrity of the zoning district and surrounding area in that this is a use that will serve local residents which meets the intent of the Neighborhood Commercial-Residential District.
- D. The proposed payday loan business will not be detrimental to the public health, safety, or general welfare in that the use is compatible with surrounding uses and it is not in an area that has a concentration of payday loan businesses.
- E. The proposed payday loan business is in harmony with applicable City policies and the intent and purpose of the zoning district involved because convenient personal services are the types of services encouraged in the Neighborhood Commercial-Residential District.

CONDITIONS OF APPROVAL
Use Permit Application No. PL-2005-0123
Ken Johnson(Applicant)
John Kim (Owner)
24457 Mission Boulevard

1. Use Permit Application No. PL-2005-0123 is approved subject to the conditions listed below which must be satisfied prior to occupying the building. This approval is void one year after the effective date of approval unless the business has been established in accordance with these conditions of approval or unless an extension is approved. Any modification to this permit shall require review and approval by the Planning Director. All conditions shall be met prior to commencement of operations and prior to the issuance of a business license. A request for a one-year extension-of-time, approval of which is not guaranteed, must be submitted to the Planning Division at least 30 days prior to May 19, 2006.
2. The property owner and applicant shall maintain in good repair all building exteriors, walls, lighting, drainage facilities, landscaping, driveways and parking areas. The premises shall be kept clean and free of litter and weeds. Any graffiti painted on the property shall be painted out or removed within seven days of occurrence. Any litter, weeds and graffiti shall be removed and the building shall be painted to the satisfaction of the Planning Director.
3. Air conditioning units located above the front doors shall be relocated to the satisfaction of the Planning Director.
4. The existing pole sign and structure, and the insurance banner on the south side of the building shall be removed. A master sign program is required to be submitted by the property owner prior to issuance of any additional sign permits. Any sign installed for the payday loan business, shall meet the requirements of the approved master sign program. All window signs shall not exceed twenty-five percent of the area of each window.
5. Outdoor storage is prohibited. The land-to-sea container shall be removed.
6. The handicapped parking space is required to be striped and identified to City Standards and to the satisfaction of the City Engineer.
7. The property owner shall replace the missing awning on the rear of the building. If front awnings are reinstalled, approval by the Planning Director is required.
8. A trash enclosure shall be installed to the satisfaction of the Planning Director and the Solid Waste Manager. The property owner or applicant shall contact Vera-

Dahle-Lacaze, Solid Waste Manger to determine the required size for the commercial center.

9. The chain link fence at the rear of the property shall be removed and replaced with a decorative, six-foot masonry wall to be approved by the Planning Director.
10. All exterior exposed wires shall be encased to the satisfaction of the Building Official and the Planning Director.
11. The applicant shall be licensed by the State of California Department of Corporations.
10. Violation of these conditions is cause for revocation of this modification of Use Permit after public hearing before the duly authorized review body.

The attached letters were submitted after preparation of the staff report.

From: Dandanfritz@aol.com
Sent: Friday, March 25, 2005 12:17 AM
To: Arlynnne Camire
Subject: pay day loan facility at 24457 Mission Blvd

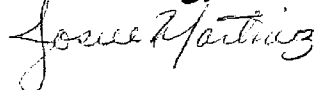
Dear Arlynnne, My name is Dan France and I have lived at the corner of Sycamore/Oneill Aves for 31 years now! It is my belief that no more permits to operate should be granted for this property at all, since, the entire strip mall in my opinion should be torn down. The reasoning being, all the shops/buildings are run-down, ugly, too close to Mission Blvd, and to keep these businesses going in their present condition/position would be against Hayward's general redevelopment/beautification plan, wouldn't it? Now I don't have anything against these businesses, matter a fact I get my haircuts at Sue's, but it time to think about improvement for the good of the city and all its residents. But after saying all that, we especially don't want to permit a ""pay day loan"" business to occupy there because of the type/ and quality of the people this kind of business would attract and, its bad enuough around here so, why willingly make it worse? My 2-cents-thank you very much, Dan France

May 31, 2005

To Whom It May Concern:

I Josue Martinez, Live at 24472 Edith St. Hayward, And I would like to request for the owner of the property at 24457 Mission Blvd. In Hayward, to please build an 8-foot fence, Because you can see from their parking lot into our house and yard since my house is built on lower grounds and the parking lot is build on higher grounds, with the 6 foot fence you could still see into the lot and my yard, not to mention all of the homeless people sleeping in the lot and all of the illegal activities also. I have witnesses that could vouch for these activities, I do not want my children to be exposed to this kind of environment. Since the city of Hayward requires that home have fences no higher than 6 feet that's why I'm requesting that the fence would be built on parking lot of the property. And that address is 24457 Mission Blvd. And this is not only for me it's for the safety of my kids and home. Thank you for your time and concerns of this matter. If you have any questions please feel free to call me at 510-258-7432

Sincerely,



Abel Camacho

Josue Martinez

RECEIVED

MAY 31 2005

PLANNING DIVISION

Patricia A. Kim
24453 Mission Blvd.
Hayward, CA 94544

Planning Commission
City of Hayward

Re: Use Permit for 24457 Mission Blvd.

Dear Members of the Planning Commission:

I am writing in response to the Agenda Report we received in connection with Ken Johnson's application for a use permit at 24457 Mission Blvd. We would like to kindly request that you approve Ken Johnson's use permit, and allow us additional time to discuss and perform the improvements to our property that you have requested.

As you might be aware, Ken Johnson began leasing the unit identified as 24457 Mission Blvd beginning in February of this year. He has spent much time and money in improving the inside of his unit and planning for the opening of his business. We hope that the Planning Commissioners feel as we do that it would be unfair to Ken Johnson to have him wait for these improvements to be completed prior to the opening of his business. We ask that the Planning Commissioners approve his use permit immediately as long as the mutually agreed upon improvements are made within the next 1 to 12 months.

We would also like the Planning Commissioners to consider our history with the City of Hayward. As Hayward natives ourselves, all three of us as owners were raised in Hayward and have opened business in Hayward for over several decades and obviously care about the vitality of the City of Hayward. Even before receipt of the Agenda Report, we have been planning on ways to improve the appearance of our property. In June, 2005 we are planning to present to the City of Hayward a proposal to add wood trimming to the top portion of the building similar to the Togo's building on Jackson and the Wendy's building on Mission Blvd. This will improve the overall look of the front façade of the building and provide an area for proper signage for our tenants. In addition, we will be spending money on replacing the roof on our building. Please refer to pictures attached.

Though the overall real estate market has been vibrant in California, we have not had that experience over the last two years in the City of Hayward. In fact, last year was the lowest in terms of rental receipts for our property. We had two units vacant for over one year and have had an extremely difficult time in finding qualified tenants. We hope that the Planning Commissioners will take into consideration that we have saving to fund our own plans to improve the property and am open to spending some additional unplanned amount to meet the Commissioners' requests to further improve the property. We have proposed some modifications as listed below and hope the Commissioners will consider them deeply.

1. Request to remove the storage container in the parking lot – we have talked to the tenant and we will remove it by August 31, 2005.
2. Request to replace the chain-link fence enclosing the rear parking lot with a masonry wall – We assume that the Planning Commissioners are making this request as a way to provide more privacy for the residences in the back area of our property. We request that the Planning Commissioners consider having us erect a wood fence in place of the chain link fence. This will provide added privacy to our neighbors and will be less economically burdensome for us. We propose replacing the chain link fence that the middle residence has with a wood fence that will line up with the other wood fencing that the other two residences have already erected. This will belong to the existing owner of the residence and will be more uniform in appearance with the neighboring residences and provide the privacy desired. Also we found that there are wood fences allowed between businesss and residences next to our building at 24241, 24245 Mission Blvd. and 24261 to 24293 Mission Blvd. Please refer to pictures attached.
3. Request to remove graffiti on the roof top equipment – we were unaware of the graffiti and will have the graffiti removed by 6-15, 2005.
4. Request to re-stripe the parking space for persons with physical disabilities – we will have the striping repainted by 6-15-05.
5. Request to remove the pole sign and illegal banner fastened to the exterior wall of the building – We have contacted the tenant who has fastened the banner and they will remove it by 6-9-05.. Regarding the pole sign, we ask the Planning Commissioners to reconsider this request. It is going to be extremely costly and the pole is currently being used to support our gate entrance. It displays “ Parking in Rear”, so nothing is special to this pole. In addition, this pole has been on the building for many years and is no larger, no higher or of less quality than others in the neighboring area. We have included photos of similar signs for your review and request this requirement be removed.
6. Request to remove the air conditioning units located above the front doors – These air conditioning units are individually owned by each tenant and are the only source of air conditioning for these units during the hot summer months. Please allow the existing tenants to continue using their air conditioning units to do their businesses even during Hot Summer Months. Otherwise they may not be able to continue their businesses. Please help us.
7. Request to replace the missing awning on the rear of the building – the wire frame for the missing awning in the rear of the building will be removed by 6-9-05.

8. Request to construct a trash enclosure – we will build an enclosure at the corner of the North-West side of the back of the property. We ask the Planning Commissioners to allow us to wait until the neighboring unit has constructed a dividing wall. Then, we can properly place the trash enclosure in a more private area of the property. They have already received a construction permit from the City of Hayward but they have for some reason not started construction yet. We would like to wait until they build a dividing wall between their property and ours. Then we can properly place the trash enclosure in a more private area of the property.

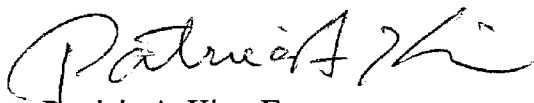
9. Request to cover the exposed wiring- The wires you mentioned are all telephone Wirings.

We will construct a box to hide those wires inside of that box by 7-31-05.

Thank you for your time and consideration. Again, we hope the Commissioners will approve Ken Johnson's use permit and will allow for more time to review our requested modifications and hope that the Planning Commissioners will be amenable to working together to improve our property so that we can contribute to the Hayward community.

If you have any questions, please feel free to contact me at 650.704.9288.

Sincerely,



Patricia A. Kim, Esq.

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 05-

Introduced by Council Member _____

*Mr
6/30/05*

**RESOLUTION FINDING THE PROJECT CATEGORICALLY
EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT AND UPHOLDING PLANNING
COMMISSION'S DECISION TO CONDITIONALLY
APPROVE USE PERMIT APPLICATION PL-2005-0123**

WHEREAS, Use Permit PL 2005-0123, concerns a request by Ken Johnson (Applicant) to operate at payday loan facility at 24457 Mission Boulevard; and

WHEREAS, on June 9, 2005, the Planning Commission approved (7:0) the applicant's request to operate a payday loan facility; and

WHEREAS, the project is categorically exempt from environmental review under CEQA; and

WHEREAS, the City Council of the City of Hayward hereby finds and determines as follows:

1. The approval of Use Permit Application No. PL-2005-0123 will not have a significant impact on the environment, cumulative or otherwise. The project is Categorically Exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15301, Existing Facilities, Class 1(a), Minor Alterations.
2. The proposed payday loan business is desirable for the public convenience or welfare in that this facility will offer services that traditional financial institutions offer but will be located in a convenient neighborhood retail center.
3. The proposed payday loan business will not impair the character and integrity of the zoning district and surrounding area in that this is a use that will serve local residents which meets the intent of the Neighborhood Commercial-Residential District.
4. The proposed payday loan business will not be detrimental to the public health, safety, or general welfare in that the use is compatible with surrounding uses and it is not in an area that has a concentration of payday loan businesses.

5. The proposed payday loan business is in harmony with applicable City policies and the intent and purpose of the zoning district involved because convenient personal services are the types of services encouraged in the Neighborhood Commercial-Residential District.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that, based upon the aforementioned findings, Use Permit PL-2005-0123, regarding a request to operate a payday loan facility is hereby granted, subject to the attached conditions of approval.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2005

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

MAYOR:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward